

Statement on Dismantling of MARAD Vessels in the UK

November 4, 2003

The National Defense Authorization Act for Fiscal Year 2003 directed the Secretary of Transportation, Secretary of State, and Administrator of the Environmental Protection Agency to jointly carry out one or more pilot programs through the Maritime Administration (MARAD) to explore the feasibility and advisability of alternatives for exporting obsolete U.S. government vessels for scrapping. The pilots were required to be carried out in 2003.

Under the legislation, any pilot project must be able to demonstrate that the work can be accomplished abroad in a manner that appropriately addresses concerns regarding worker health and safety and the environment.

MARAD currently has approximately 130 vessels in several locations, including the James River in Virginia, in seriously deteriorated condition that require disposal. MARAD had advised EPA that there is insufficient funding and capacity to address this concern exclusively in the United States. On May 7, 2003, MARAD wrote to EPA, seeking enforcement discretion to export 13 vessels to the Able UK facility in England for dismantling and recycling.

Because many of the vessels designated for disposal currently sit in the James River and finding (Joyce – is this the right word?) is limited, MARAD sought EPA's assistance to evaluate several options for disposal, including domestic disposal, foreign dismantling and preparation of ships to be sunk as artificial reefs.

The U.S. Toxic Substances Control Act (TSCA) currently bans the distribution in commerce of PCBs in certain quantities and that ban is applicable to the export of vessels for disposal because PCBs can be found in shipboard systems. However, EPA has the authority to exercise enforcement discretion in unusual cases in which it is necessary to serve the public interest, in this case, to speed the removal of deteriorated vessels from the sensitive ecosystem of the James River and to ensure that the vessels are dismantled and recycled in a safe and environmentally sound manner.

The U.S. Environmental Protection Agency agreed to work with the Maritime Administration to address their need to dispose of obsolete vessels through an export pilot project to assure that the work could be done in a manner that protects human health and the environment.

Prior to approving export to the Able UK facility in England, the U.S. government

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considered existing U.S. laws and regulations, international agreements and policies as well as importing country laws and acceptance of vessels for scrapping by the UK Environment Agency. EPA technical staff visited the Able UK facility and evaluated the facility environmental program and its worker safety and health practices. The company has extensive experience in deconstruction of large offshore structures and is subject to permits and licensing requirements similar to those in the U.S.

In addition, prior to approving the export, EPA consulted with officials of the UK Environment Agency, who indicated that the facility is inspected frequently and has a strong record of environmental compliance. Furthermore, EPA included in its approval letter a condition that the UK Environment Agency approve the import of the vessels into England for recycling, and that approval was initially provided.

On October 6, MARAD exported ships 1 and 2. Ships 3 and 4 left the U.S. on October 16. The first two vessels are scheduled to reach the UK on November 8 and the second two shortly thereafter.

On October 31, the Environment Agency UK (EA) issued a press statement stating that the authorizations to dismantle the vessels in Hartlepool are invalid. On November 4, the EA formally requested EPA to take steps to secure the return of the ships to the US. Discussions between MARAD, State, EPA and the EA are continuing. Able UK has advised the US Government that it is prepared to begin building the dry dock in November and that it will be completed in March in sufficient time to dismantle the vessels.

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The vessels under tow contain materials similar to all older vessels of their age and class and do not pose any unique risks either to the environment or to citizens or workers in the UK.